

公司管治報告

CORPORATE GOVERNANCE REPORT



前排左起：
周俊卿、喬世波、孫明權、鄭義
後排左起：
石善博、劉忠國、周龍山
Front row (from left):
Zhou Junqing, Qiao Shibo, Sun Mingquan, Zheng Yi
Back row (from left):
Shi Shanbo, Lau Chung Kwok Robert, Zhou Longshan

緒言

本公司堅持公司管治的整體標準。於二零零五年七月二十八日，董事會採納了根據上市規則的公司管治守則附錄十四編製的本公司公司管治手冊。於本年度，本公司已遵守大部份守則條文及若干的建議最佳常規。

管治架構

本公司的公司管治架構包括董事會及董事會轄下四個委員會，即審核委員會、執行委員會、薪酬委員會及策略發展委員會，亦有一個直接向審核委員會報告的內審部。

董事會成員

於二零零五年十二月三十一日，董事會由十一名董事組成，其中六名執行董事、兩名非執行董事及三名獨立非執行董事。該三名獨立非執行董事為於水泥行業、金融機構及會計行業具豐富經驗的專業人士，其中一名獨立非執行董事為專業會計師，已符合上市規則的要求。本公司各獨立非執行董事已符合上市規則的要求，向本公司出示獨立性週年確認書。本公司確認所有獨立非執行董事的獨立性。

INTRODUCTION

The Company is firmly committed to the overall standards of corporate governance. On 28 July 2005, the Board has adopted the Corporate Governance Manual of the Company which has been prepared on basis of Appendix 14 Code on Corporate Governance Practices of the Listing Rules. During the year, the Company has complied with most of the code provisions and certain recommended best practice in the Listing Rules.

GOVERNANCE STRUCTURE

The Company's corporate governance structure includes the Board and four committees under the Board, namely the Audit Committee, the Executive Committee, the Remuneration Committee and the Strategic Development Committee. There is also an Internal Audit Department which reports directly to the Audit Committee.

COMPOSITION OF THE BOARD

As of 31 December 2005, the Board comprises eleven Directors, of which six are executive Directors, two are non-executive Directors and three are independent non-executive Directors. The three independent non-executive Directors are professionals with strong experience in the cement industry, financial institutions and accounting. One of the independent non-executive Directors is a professional accountant, which is in compliance with the requirement of the Listing Rules. Each of our independent non-executive Directors has presented an annual confirmation of independence to the Company in accordance with the requirement of the Listing Rules. The Company considered that all of the independent non-executive Directors to be independent.

董事會

所有董事的角色及責任的描述載於本年報的第31至33頁，以及本公司網站(www.crcement.com)。

董事彼此間及與本公司或其附屬公司概無涉及任何業務、財務或家族權益。

在召開全部董事會會議時，董事會文件乃根據上市規則及／或公司管治手冊的規定於會議前送交董事審閱。於二零零五年共召開八次董事會的董事出席情況如下：

董事名稱	Name of Director	出席次數 Attended
主席	Chairman	
喬世波	Qiao Shibo	3
執行董事	Executive Directors	
石善博	Shi Shanbo	8
周俊卿	Zhou Junqing	6
周龍山	Zhou Longshan	3
孫明權	Sun Mingquan	5
鄭義	Zheng Yi	3
非執行董事	Non-executive Directors	
蔣偉	Jiang Wei	1
姜智宏	Keung Chi Wang, Ralph	4
獨立非執行董事	Independent non-executive Directors	
陳茂波	Chan Mo Po, Paul	4
林宗壽	Lin Zongshou	4
呂培基	Lui Pui Kee, Francis	6

董事的酬金乃參考彼等各自於本公司的職務及責任、本公司的表現及現時的市況而釐定。

董事於本年度向本集團收取的酬金詳情已載於財務報表附註10。

BOARD OF DIRECTORS

The description of respective roles and responsibilities of all Directors are disclosed on pages 31 to 33 of this Annual Report and are available on the Company's website (www.crcement.com).

None of our Directors has any business, financial, or family interests with each other and the Company or its subsidiaries.

When board meetings were convened, board papers were sent to Directors for their review before the meetings in accordance with the requirements of the Listing Rules and/or the Corporate Governance Manual. The attendance of Directors at the eight full board meetings held in 2005 is as follows:

The Directors are remunerated with reference to their respective duties and responsibility with the Company, the Company's performance and current market situation.

Details of emoluments of the Directors from the Group for the year are as disclosed in Note 10 to the financial statements.

董事會轄下的委員會

COMMITTEES UNDER THE DELEGATION BY THE BOARD

執行委員會

Executive Committee

執行委員會負責監控本公司策略計劃的執行，以及本公司所有業務單位的營運，並向董事會匯報。

The Executive Committee reports to the Board and is responsible for monitoring the execution of the Company's strategic plans and the operations of all business units of the Company.

於二零零五年，執行委員會成員及六次會議的出席情況如下：

The members and attendance of the six meetings of the Executive Committee held in 2005 are as follows:

成員名稱	Name of member	出席次數 Attended
喬世波	Qiao Shibo	3
石善博	Shi Shanbo	6
周俊卿	Zhou Junqing	6
周龍山	Zhou Longshan	5
孫明權	Sun Mingquan	6
鄭義	Zheng Yi	5

審核委員會

Audit Committee

審核委員會於二零零三年六月二十日成立並由三名獨立非執行董事及兩名非執行董事組成，委員會大部份成員均具相關的專業會計及財務資格。審核委員會主要負責審閱本公司內部審核計劃、向董事會提交相關報告及推薦意見、就外聘核數師的委任、薪酬及任何與終止委聘有關事宜等提出建議。審核委員會的職權範圍於二零零五年二月二十八日透過採納香港會計師公會頒佈之「審核委員會有效運作指引」而修訂。陳茂波先生為審核委員會的主席，負責於每次會議後向董事會報告審核委員會的調查結果及推薦意見。

The Audit Committee was set up on 20 June 2003 and is composed of three independent non-executive Directors and two non-executive Directors. A majority of the committee members possesses appropriate professional accounting and financial qualifications. It is primarily responsible for reviewing the internal audit plan of the Company, submitting relevant reports and recommendations to the Board, making recommendation regarding the appointment, remuneration and any matters relating to the termination of external auditors, etc.. The terms of reference of the Audit Committee was revised on 28 February 2005 by the adoption of "A Guide for Effective Audit Committee" issued by Hong Kong Institute of Certified Public Accountants. Mr. Chan Mo Po, Paul, the Chairman of the Audit Committee, is responsible for reporting the Audit Committee's findings and recommendations to the Board after each meeting.

於二零零五年，審核委員會成員及三次會議的出席情況如下：

The members and attendance of the three meetings of the Audit Committee in 2005 are as follows:

成員名稱	Name of member	出席次數 Attended
陳茂波	Chan Mo Po, Paul	3
林宗壽	Lin Zongshou	2
呂培基	Lui Pui Kee, Francis	3
蔣偉	Jiang Wei	0
姜智宏	Keung Chi Wang, Ralph	1

審核委員會已於該等會議上審閱外聘核數師有關年度財務報表編製的審核、審閱中期業績及進行關連交易的審核程序等報告，委員會並討論本集團的建議審核計劃及內部審核報告。

During these meetings, the Audit Committee reviewed reports from external auditors regarding their audit on annual financial statements, review on interim financial results and performance of agreed upon auditing procedures on connected transactions. The committee also discussed the proposed audit plans and internal audit report of the Group.

薪酬委員會

Remuneration Committee

薪酬委員會於二零零三年七月二十九日成立，由兩名獨立非執行董事及一名執行董事組成。薪酬委員會審閱及批准董事及高級管理人員的薪酬。薪酬委員會的職權範圍於二零零五年二月二十八日修訂，並與上市規則的守則條文相符。呂培基先生為薪酬委員會的主席，負責於每次會議後向董事會報告薪酬委員會的調查結果及推薦意見。

The Remuneration Committee, which was set up on 29 July 2003, comprises two independent non-executive Directors and one executive Director. The Remuneration Committee reviews and approves the remunerations of the Directors and senior management. The terms of reference of the Remuneration Committee was revised on 28 February 2005 and is in compliance with the code provisions under the Listing Rules. Mr. Lui Pui Kee, Francis is the Chairman of the Remuneration Committee who is responsible for reporting the Remuneration Committee's findings and recommendations to the Board after each meeting.

於二零零五年，薪酬委員會曾舉行一次會議，檢討本公司的薪酬政策及認股權計劃。成員及出席會議情況如下：

During 2005, the Remuneration Committee held one meeting to review the remuneration policy and the Scheme of the Company. The members and attendance of the meeting are as follows:

成員名稱	Name of member	出席次數 Attended
呂培基	Lui Pui Kee, Francis	1
陳茂波	Chan Mo Po, Paul	1
石善博	Shi Shanbo	1

策略發展委員會

Strategic Development Committee

策略發展委員會於二零零三年七月二十九日成立，由一名獨立非執行董事及五名執行董事組成。策略發展委員會旨在為本公司查核及建議潛在投資項目，致力將投資風險減至最低和提高投資的可觀回報。策略發展委員會由林宗壽先生擔任主席。

The Strategic Development Committee, which was set up on 29 July 2003, comprises one independent non-executive Director and five executive Directors. The Strategic Development Committee examines and recommends potential investments for the Company, aims to minimise investment risk and promote a satisfactory return on investments. The Strategic Development Committee is chaired by Mr. Lin Zongshou.

於二零零五年，策略發展委員會曾舉行非正式會議及進行討論，惟並無舉行正式會議。策略發展委員會成員情況如下：

成員名稱

林宗壽
石善博
周俊卿
周龍山
孫明權
鄭義

During 2005, there were informal meetings and discussions among members of the Strategic Development Committee but no meeting was formally held. The members of the Strategic Development Committee are as follows:

Name of member

Lin Zongshou
Shi Shanbo
Zhou Junqing
Zhou Longshan
Sun Mingquan
Zheng Yi

董事會及管理層的角色

董事會主要負責制定本集團的策略方向、定立目標及業務發展計劃、監控高級管理人員的表現及為公司管治負責，目標為增加股東價值。在總經理帶領下，管理層負責推行及執行董事會制訂的策略及計劃。

ROLES OF THE BOARD AND MANAGEMENT

The Board is mainly responsible for establishing the strategic direction of the Group, setting objectives and business development plans, monitoring the performance of the senior management and assuming responsibility for corporate governance with the objective of enhancing shareholders' value. The management, under the leadership of the General Manager, is responsible for the implementation and execution of strategies and plans established by the Board.

主席及總經理的角色及責任

主席及總經理的角色不同。主席負責董事會運作，而總經理負責管理本集團業務，有顯然分別。

ROLES AND RESPONSIBILITIES OF THE CHAIRMAN AND THE GENERAL MANAGER

The duties of the Chairman and the General Manager are separate. There is a clear distinction between the Chairman's responsibilities for running the Board and the General Manager's responsibility for managing the Group's business.

董事會主席為喬世波先生，負責透過監督董事會的工作領導董事會、制訂本公司整體策略及政策、確保所有董事清楚知道董事會會議的事項、確保董事收到完整、可靠、準時及充足的資料等。

The Chairman of the Board is Mr. Qiao Shibo, who is responsible for leading the Board by overseeing the functioning of the Board, formulating overall strategies and policies of the Company, ensuring that all Directors are properly briefed on issues arising at board meetings, ensuring complete, reliable and timely delivery of adequate information to Directors, etc..

總經理為石善博先生，負責管理本集團業務、推行主要策略、作日常決策及協調整體業務經營。總經理由董事會委任。

The General Manager is Mr. Shi Shanbo, who is responsible for managing the Group's business, implementing major strategies, making day-to-day decisions and co-ordinating overall business operations. The General Manager is appointed by the Board.

非執行董事任期

上市規則附錄14的守則條文A.4.1規定非執行董事的委任應有指定任期，並須重選以獲連任。

非執行董事並無指定任期，但最少每三年輪值告退。本公司於二零零五年四月七日舉行的本公司股東週年大會上獲股東批准修訂本公司的組織章程細則。據此，每位董事均須最少每三年輪值告退。因此，本公司認為已就此守則條文採取足夠措施。

董事提名

根據本公司的組織章程細則，董事會有權不時或於任何時間委任任何人選為董事，以填補臨時空缺或新增為董事會成員，提名須考慮該被提名人士的資格、能力及對本公司作貢獻的潛力。董事會正考慮成立提名委員會以處理董事的委任、重選及退任事宜的可行性。

董事進行證券交易

本公司已於二零零四年三月十八日採納標準守則作為董事進行證券交易的操守守則，並於二零零五年二月二十八日採納將不遜於標準守則的書面指引應用至高級管理人員及可能得悉本集團價格敏感資料的指定人士。

經本公司查詢後，全體董事確認彼等於截至二零零五年十二月三十一日止年度一直遵守標準守則。

TERMS OF NON-EXECUTIVE DIRECTORS

Code provision A.4.1 of Appendix 14 to the Listing Rules requires that non-executive directors should be appointed for a specific term and should be subject to re-election.

The non-executive Directors have no set term of office but retire from office on a rotational basis at least once every three years. Amendment to the Articles of Association of the Company was approved by the shareholders at the annual general meeting of the Company held on 7 April 2005 whereby every Director shall be subject to retirement by rotation at least once every three years. As such, the Company considers that sufficient measures have been taken to serve the purpose of this code provision.

NOMINATION OF DIRECTORS

According to the Articles of Association of the Company, the Board has the power from time to time and at any time to appoint any person as a Director either to fill a causal vacancy or as an addition to the Board. The nomination should be taken into consideration of the nominee's qualification, ability and potential contributions to the Company. In order to establish an appointment, re-election and retirement system for Directors, the Board is considering the feasibility of a Nomination Committee.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code as the code of conduct regarding securities transactions by Directors on 18 March 2004 and has applied written guidelines on no less exacting terms than the Model Code for senior management and specified individuals who may have access to price sensitive information of the Group on 28 February 2005.

The Company has made specific enquiry of all Directors who confirmed that throughout the year ended 31 December 2005, they have complied with the Model Code.

問責及審核

董事對財務報表的可信性負責，並須確保內部監控系統可為股東及其他有權益方提供合理保證。

內審部由一位合資格會計師帶領，負責本集團的內部審核工作，並為監控本集團內部管治擔任重要角色。該部門可不受規限地審閱本集團所有內部監控系統和與審閱範圍相關的活動，將編製一份涵蓋一系列獨立審核的年度審核計劃，而有關計劃須經由審核委員會審批。在進行審核工作時，該部門會透過觀察及調查蒐集資料及憑證，務求合理地確認該份審核報告，並向審核委員會主席直接報告。

於二零零五年，審核費用約為2,072,000港元，而非審核相關服務費為1,167,000港元，其中包括810,000港元的盡責審查費用。

本公司核數師所發表有關其申報責任的聲明已載於第55頁的核數師報告內。

與股東溝通

本公司致力透過股東週年大會、刊發中期報告及年報、於報紙及本公司網站發表新聞稿及路演等方式，以達致與股東及潛在投資者維持良好的投資者關係。

主席因離港公幹，未能出席本公司的二零零五年股東週年大會。

ACCOUNTABILITY AND AUDIT

The Directors are responsible for the integrity of the financial statements and for ensuring a system of internal control to provide reasonable assurance to shareholders and other interested parties.

The Internal Audit Department, which is headed by a qualified accountant, is responsible for internal audit works for the Group and plays a major role in monitoring the internal governance of the Group. The department has unrestricted access to all aspects of the Group's internal control system and activities which are relevant to the area under review and prepares an annual audit plan which comprises of a series of individual audits and is subject to approval of the Audit Committee. In performing audit fieldwork, the department gathers information and evidence through observation and inspection to make reasonable assurance of the audit report, which is directly reported to the Chairman of the Audit Committee.

During 2005, audit fee amounted to approximately HK\$2,072,000, and non-audit related service fee was HK\$1,167,000 which covers due diligence review costs in the amount of HK\$810,000.

The statement of the auditors of the Company regarding their reporting responsibilities is set out in the Report of the Auditors on page 55.

COMMUNICATION WITH SHAREHOLDERS

The Company endeavors to maintain good investor relationship with shareholders and potential investors by way of annual general meeting, publication of interim and annual reports, press releases on newspaper and the Company's website and roadshows.

The Chairman missed the 2005 annual general meeting of the Company because of a business trip outside Hong Kong.